



STATE OF DELAWARE

PUBLIC SERVICE COMMISSION

861 SILVER LAKE BLVD.
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE:

(302) 736-7500


FAX:

(302) 739-4849

April 30, 2015

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Toni Loper, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF NAVIGATE POWER, LLC FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED JANUARY 20, 2015; FILED MARCH 23, 2015) - PSC DOCKET No. 15-0659

Background

On January 20, 2015, Navigate Power, LLC (the "Company") submitted an application (the "Application") with the Delaware Public Service Commission ("Commission") for an Electric Supplier Certificate ("ESC") to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").¹

Application

The Company's original filing was submitted on January 20, 2015 but the submitted application did not meet the minimum filing requirements ("MFRs"). Staff requested that the Company file additional documentation where it was requested that the Company provide the following information: a) a copy of the Delaware Business License, b) resident agent information, c) indication that the Applicant will work with an entity that complies with PJM's requirements and is a Certified Electric Supplier in Delaware, d) financial statements, e) professional resumes detailing relevant operational experience of each principal officer responsible for Delaware operations, f) statement of bankruptcy, g) signed, sworn verification letter, h) statement of criminal activities. The requested information and verification form was received from the Company on March 13, 2015, however the resident agent information was not provided and an additional request for information was forwarded to the Company. The Company filed the required information for the resident agent on March 23, 2015 which completed the Applications MFRs.

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Review and Analysis

Authority to do Business in Delaware

The Company is limited liability company formed under the laws of the State of Illinois. The Applicant has provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware.

Resident Agent

The Company lists Corporation Service Company based in Wilmington, DE as its Resident Agent.

Compliance with Regional Requirements

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

Financial, Operational, Managerial and Technical Ability

The Company provided a confidential statement of profit and loss and bank statements as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules. Staff believes that these financial documents show substantial evidence of the Applicant's ability to provide services as a Broker in the State of Delaware.

The Company anticipates acting as a Broker serving small commercial, large commercial and industrial customers for the sale or purchase of electricity throughout the State of Delaware. The Application states that the Company currently offers service in Illinois, and Ohio. Staff has confirmed that the Company is licensed in those states. The application states that the Company has not been denied approval nor had its authority revoked by any state commission. Staff believes that this information shows substantial evidence of the Applicant's operational ability to provide services as a Broker in the State of Delaware.

The Application included a summary of the key operating personnel of the Company. Mr. Christopher Gersch, President, has over 10 years' experience in the energy industry. His work experience includes responsibility for training operations and executive staff, negotiations of supply agreements, responsibility for running the energy commodity option pricing desk, training of energy traders, and project management for several energy industry and non-energy industry companies. Mr. Mark Nakayama, Principal and Director of Direct Broker Channel, has over 7 years' experience in the energy industry. His work experience includes responsibility for recruitment and training of energy and gas brokers, negotiations of referral agreements with suppliers, managing daily operations to include daily pricing, contract submissions, reporting, cash flows, accounts payable, accounts receivable, and sales forecasting. Staff performed an internet review of the Company and its key operating personnel. The search did not reveal any issues. Staff believes that this information shows substantial evidence of the Applicant's operational, managerial, and technical ability to provide services as a Broker in the State of Delaware.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The Application and subsequent filings were verified in signed, sworn verification letters by Mr. Christopher Gersch, President.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company also did not provide any sample contracts for residential or small customers because it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

Statement of Criminal Activity

The Applicant stated in the application that they have not been charged or convicted of any criminal activity nor have any of its principals or corporation officers. The Applicant has no affiliated interests. An internet review of the Company and its principals revealed no outstanding issues.

Legal Review

On April 30, 2015, following Staff's completed review and analysis of the Application, Staff forwarded its final analysis to the assigned attorney to confirm that all required documentation requested and received from the Company was in compliance with Delaware law and the Supplier rules and regulations.

Staff Recommendation

Based on Staff's review of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The Company resolved all outstanding issues with Staff and the completed application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.